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# Highlights

## 1995 Ontario Budget Plan

Floyd Laughren  
Minister of Finance

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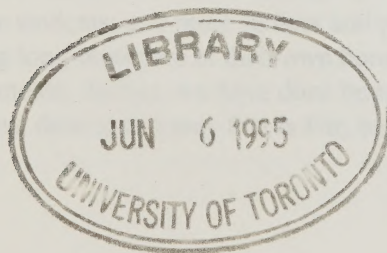
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# Highlights of the 1995 Budget Plan

*Floyd Laughren*  
*Minister of Finance*

Ⓢ Ontario



# Highlights of the 1995 Budget Plan

- ▶ The Government's Budget Plan will protect jobs, universal medicare, education for our children, and services for those who are most vulnerable.
- ▶ The operating budget will be balanced two years from now, one year ahead of schedule, despite massive federal funding cuts.
- ▶ For the second year in a row, budget targets will be met with no increase in taxes.
- ▶ The Government will launch a province-wide grass-roots consultation to ensure that Ontarians can have their say on how to handle \$3.6 billion in cuts announced in the 1995 federal budget. Solutions will be introduced in the Legislature this fall.
- ▶ A new program called **JUMP***start* will help 66,000 more young people find jobs.



**T**HE GOVERNMENT'S BUDGET PLAN IS REALISTIC and responsible. It does not promise simple solutions. It does not slash and burn valued services and people's jobs. It does not call for irresponsible tax cuts before the budget is balanced. The plan provides moderate, made-for-Ontario solutions.

The past few years have presented us with big challenges — a tough recession, unfair treatment by the federal government, and the fall-out of overspending by previous provincial governments. But we've met those challenges squarely, with a balanced plan that meets the needs of Ontarians.

We've supported jobs and growth, reduced the deficit, and protected vital services like health care, education for our children, and help for people in need. Our Budget Plan protects services, supports jobs, and brings the deficit down while holding the line on taxes.

- ▶ Last year we predicted that the economy would create over 100,000 new jobs. In fact, over the past year, Ontario employers have created 137,000 full-time jobs.
- ▶ We forecast the economy would grow by 3.3%. In fact, it expanded by 5.3%, faster than the rest of Canada.
- ▶ We said we would balance the operating budget in 1998. In fact, we will do it in 1997 — a year earlier.
- ▶ We said we would hold the line on spending and not raise taxes. In fact, our plan calls for spending to be lower this year than it was four years ago — without new taxes and without tax increases.
- ▶ We said we would protect public services. In fact, our hospitals are caring for more patients than when we took office; our education system has more students; and more seniors and people with disabilities are getting long-term care in their own homes.

We have kept our commitments. In fact, we have done better than we predicted. And we have done it in a way that is fair, balanced and realistic.



**Table 1**  
**Major Transfers to Provinces and Territories**  
**(Estimated entitlements)**

	1994-95	1996-97	Change
	(millions of dollars)		
Newfoundland	1,484	1,512	+28
Prince Edward Island	316	323	+7
Nova Scotia	1,932	1,949	+17
New Brunswick	1,810	1,832	+22
Quebec	11,446	11,096	-350
Ontario	10,530	9,853	-677
Manitoba	2,039	2,032	-7
Saskatchewan	1,411	1,450	+39
Alberta	2,525	2,313	-212
British Columbia	3,573	3,291	-282
Northwest Territories	74	68	-6
Yukon	34	32	-2
<b>Total</b>	<b>36,974<sup>1</sup></b>	<b>35,351<sup>1</sup></b>	<b>-1,623</b>

<sup>1</sup> Comprised of Equalization, EPF and CAP.  
<sup>2</sup> Canada Social Transfer and Equalization.

Source:  
1995 Federal Budget supplementary document

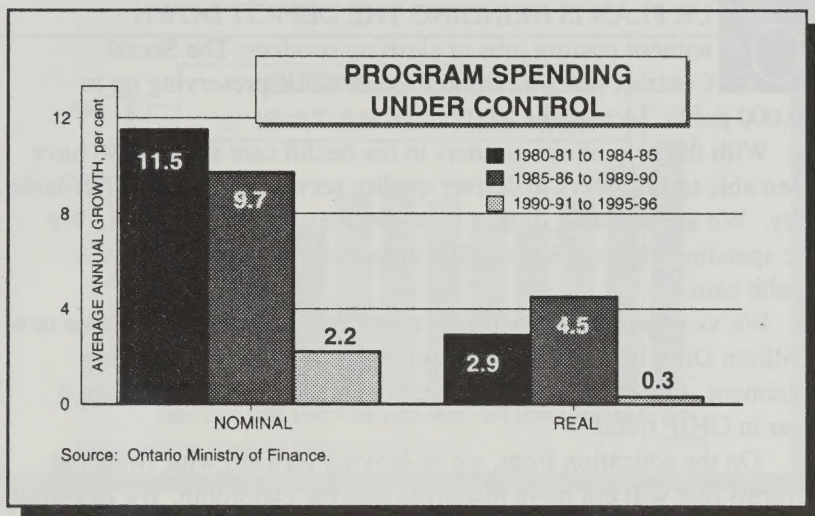
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**T**HE CURRENT FEDERAL GOVERNMENT, LIKE THE Mulroney government before it, has backed away from its commitments to the people of Ontario. Shortfalls in funding for a range of services will have cost Ontarians \$12.4 billion by the end of 1995-96.

Now the Martin budget will take away another \$3.6 billion in funding for health care, education and social services in 1996-97 and 1997-98. These are huge cuts, and they are not fair to the people of this province. Ontario has 38% of Canada's population, but is being asked to carry 54% of federal cutbacks from 1994-95 to 1996-97.

The Martin budget cuts services. It off-loads by far the largest share of its cuts on to the provinces. It continues the Mulroney government's policies of high interest rates, slow growth, joblessness and the GST. It will cost us 90,000 jobs by 1997. And it raises taxes.

The Martin budget also sends a clear signal that the federal government is no longer willing to defend a national medicare program. Our government is sending a clear signal back — we will fight to save universal medicare.



**T**HIS GOVERNMENT HAS PUT IN PLACE THE tightest spending controls in half a century. Program spending in the coming year will be less than it was four years ago.

The last provincial government rode a wave of growth, but despite record revenues they didn't pay down one cent of the debt. Instead, they increased spending by 66%.

We've put our house in order by going back to square one. We looked at our programs and found ways to run them better. Our Expenditure Control Plan now saves \$6 billion a year.

We are spending \$1.3 billion less to run the government than four years ago. We've cut the size of the public service by 6,000 positions since March 1991, with almost no layoffs.

Our tough decisions are paying off. In the year just ended, our deficit was \$8.1 billion, more than \$400 million below the target we set a year ago. In 1995-96, the deficit will drop by \$2.3 billion, to \$5.8 billion, with no tax increases.

## PROTECTING PUBLIC SERVICES



**OUR PLAN IS BRINGING THE DEFICIT DOWN** without costing jobs or slashing services. The Social Contract saves \$2 billion a year while preserving up to 40,000 public-sector jobs.

With the help of our partners in the health care system, we have been able to find ways to deliver quality services in a more affordable way. We are directing dollars to where they are needed most. We are spending almost \$300 million more than two years ago on health care.

We've increased support for cancer care and prevention. Our new Trillium Drug Program helps people who face big bills for drug treatment. Our new photo health cards will prevent \$60 million a year in OHIP fraud.

On the education front, we're moving forward with sweeping reforms that will put more resources into the classroom. We're getting parents, students and the community more involved in running our schools. We're expanding province-wide testing, and requiring more training for teachers. And we're refusing to support the federal cuts that would force college and university tuition fees to double.

**Better Services for More People**

**Table 1**

	1990	1994	Change
Students in elementary and high school	1,770,000	1,893,000	+ 7%
Students in colleges and universities <sup>1</sup>	319,000	361,000	+ 13%
Hospital cases/patient visits (millions) <sup>2</sup>	14.7	15.4	+ 5%
Women covered by pay equity	360,000	780,000	+ 117%
Subsidized child-care spaces	46,600	68,300	+ 47%
People in training programs <sup>3</sup>	313,000	376,000	+ 20%
People receiving in-home long-term care services <sup>4</sup>	207,000	300,000	+ 45%

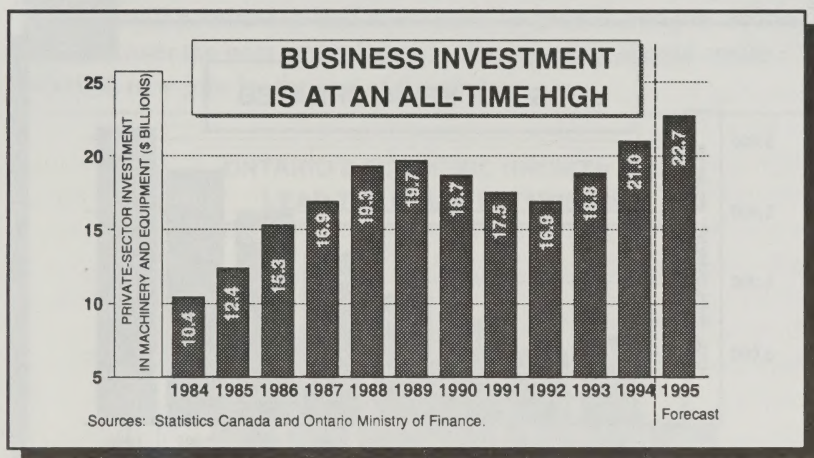
1 Based on full-time enrolments. Preliminary figure for 1994, based on fall survey.

2 1989-90 fiscal year versus preliminary 1993-94 fiscal year.

3 Training interventions and job placements plus literacy programs.

4 Estimated figure for 1994.



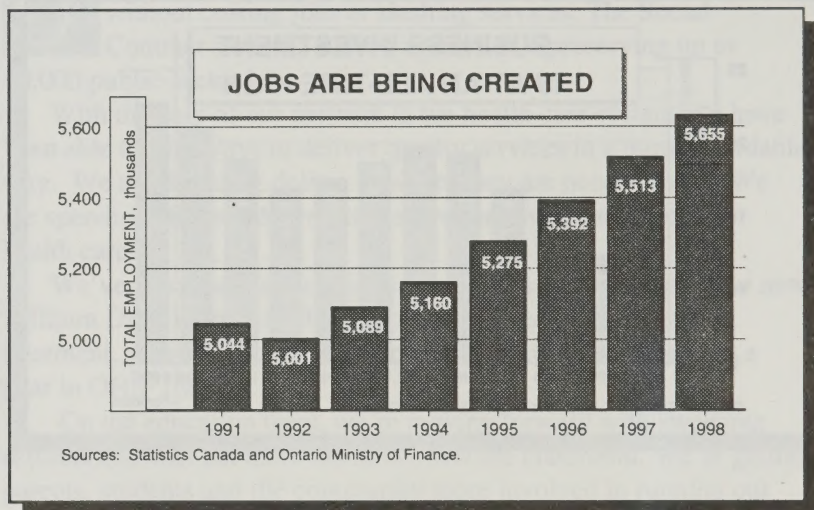


**M**ORE THAN EVER BEFORE, ONTARIO IS AN excellent place to do business. Last year, businesses put the most money ever into new machinery and equipment in Ontario, and the level is expected to increase again this year. Since 1990, the auto industry alone has planned or completed \$5.5 billion in investments in its Ontario plants.

Close to 150,000 people across Ontario recently showed their confidence in the future of the province by investing \$1.6 billion in the first issue of Ontario Savings Bonds.

Since our Government took office, we have worked with the private sector to create jobs and support sustainable economic growth. With our partners, we have directly created or supported an average of almost 150,000 private-sector jobs every year.

This year our support for jobs and economic growth continues, with the largest-ever investment in capital projects in Ontario.

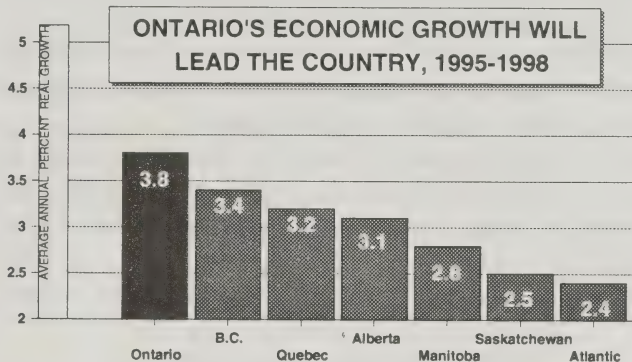


**O**UR \$19 BILLION INVESTMENT OVER FIVE YEARS IN Ontario's future has made Ontario a better place to do business, by providing the roads, water and sewer systems, and transit lines that a growing economy needs. And it has helped to make Ontario a better place to live and work by building schools, hospitals, colleges, universities and community centres.

We are working with private companies to build a new super-highway across the top of Toronto. Highway 407 will spur growth in Southern Ontario by making it easier and faster to move goods. The first section will be open a year from now.

While we're building up public assets, we're cutting red tape that stands in the way of job creation. We're working with business to find ways of using new technology to reduce paperwork for employers. We are also working closely with Ontario Hydro to keep electrical rates down. Rates have not gone up since 1993 and are frozen until at least 1997.

**T**HE ECONOMIC OUTLOOK SHOWS THAT ONTARIO will continue to lead the country in growth and job creation over the next several years. Our economy should create 800,000 new jobs by the end of the century.



Source: Survey of private-sector forecasts, April 1995.

Our **jobsOntarioTraining** program will have given job opportunities to more than 90,000 out-of-work people — nearly half of them welfare recipients — by the end of 1995-96. The Province will save \$420 million in welfare costs. And there will be a return on this investment for years to come as they become taxpayers.

Building on the success of **jobsOntarioTraining**, we brought in **jobLink** to help people on welfare find jobs. Even though the federal government has stopped sharing the costs after only one year, we will continue to fund this innovative program.

This Government is committed to continuing to reduce the welfare caseload by helping people find jobs, managing better, and enforcing tough measures against fraud.

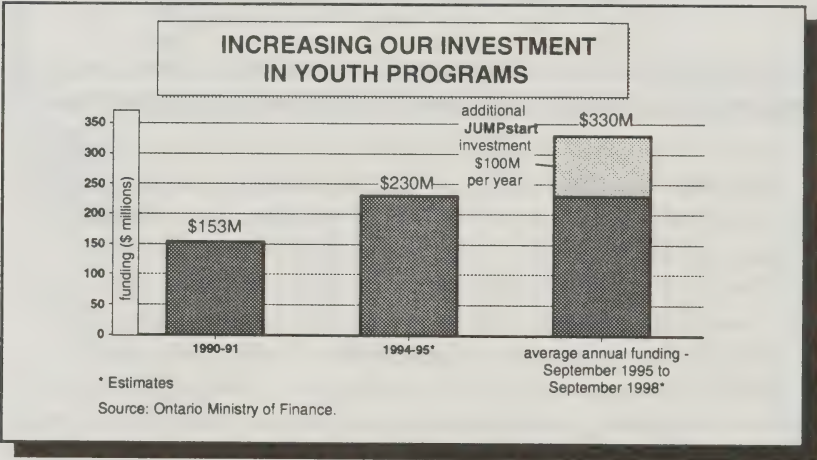


## HELPING YOUNG PEOPLE GET THEIR FIRST JOB

ONE OF OUR MOST IMPORTANT PRIORITIES IS THE young people of Ontario. Getting them off to a good start in the job market will pay economic and social dividends in future. That's why we are launching **JUMPstart** on September 1.

**JUMPstart** will help an additional 66,000 of our young people get that first job. It will pull together our youth training and employment programs, expanding what works well, adding new measures where they're needed, and making it easier for young people and employers to find the help they need.

Without increasing our overall spending, we will invest an extra \$300 million in young people over the next three years with **JUMPstart** — the largest youth initiative ever undertaken in Ontario and the largest such program in Canada.



**T**HE MARTIN BUDGET MEANS CUTS IN FEDERAL funding to Ontario's health, education and social services. The cuts amount to \$1.4 billion in 1996-97 and \$2.2 billion in 1997-98. The decisions to be made are so important and so far-reaching that we must talk to the people of Ontario. We have to continue to redesign our services to make sure they're there for the future.

We won't make our decisions about how to handle the Martin cuts until we've given people in Ontario a chance to tell us what they think. Together, we'll find a made-in-Ontario solution for our needs — not something imported or imposed by the federal government.

The Bob Rae Government will approach the consultation with these three basic principles:

- ▶ Medicare, education for our children, and services for those who are most in need must be protected.
- ▶ We must continue to support jobs and growth.
- ▶ We must meet our budget targets while holding the line on taxes.

A provincial Cabinet Minister will be appointed to lead town-hall meetings across Ontario. Five panels, made up of both experts and ordinary citizens, will be set up to look at key issues. We will use advanced technology to give Ontarians their say.

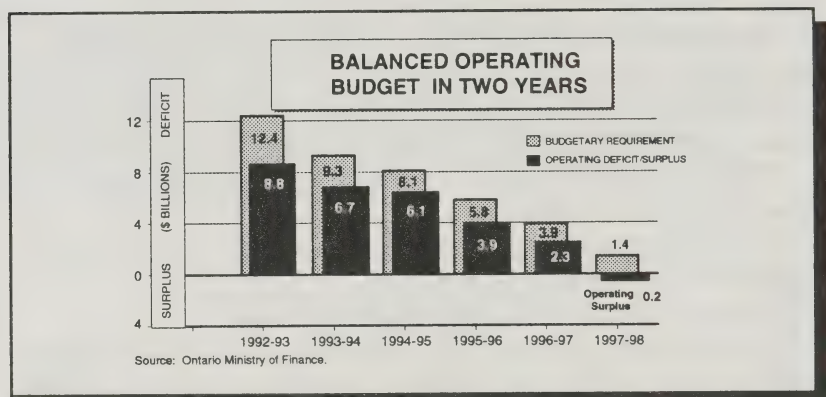
Once discussions are complete, the panels will give their recommendations, and the Government will prepare an overall package of proposed solutions. Legislation will be put before the House by November 1, and solutions will be made into law by year-end.

We are not going to wish this challenge away, as some would do. Nor will we promise irresponsible tax cuts that Ontarians know we cannot afford.

## A BALANCED OPERATING BUDGET IN 1997

**D**ESPITE THE FEDERAL CUTS, OUR OPERATING budget will have a surplus in 1997, two years from now.

But the job won't be over in 1997. When times are good, we must pay down the debt. We are not going to make the mistake of the government that came before us.



### *Universal Medicare for all Canadians*

The Martin cuts are the first steps towards dismantling universal medicare. The new block-fund scheme will put an end to the federal government's ability to enforce standards across the country.

In Ontario, we must continue to fight on behalf of Ontarians and Canadians to save universal medicare.

### *Fair treatment for Ontarians*

People in Ontario can count on the Government of Premier Bob Rae to be at the federal-provincial bargaining table, fighting for fair treatment for them, and for the principles they believe in.

The Martin Budget tells Ontarians, who make up 38% of Canada's population, that they should bear 54% of the overall reduction in federal transfers between 1994-95 and 1996-97 — more than all other provinces combined. We will continue to fight this unfairness — because no Canadian should be short-changed just because they live in Ontario.



**T**HERE ARE TWO SHARPLY DIFFERENT APPROACHES to governing in Canada today. One takes its cue from commentators on Wall Street who tell us to gut our public services to get our deficit down. The federal government has clearly bought into this approach.

But there is an alternative with a proven record of success. It is the approach that the Bob Rae Government has followed here in Ontario — the balanced plan that the people of Ontario have told us they prefer.

With this approach, government takes on its responsibility to help the economy and to protect vital services, while bringing the deficit down at a steady pace.

That balanced approach has seen Ontario achieve great things. Since the recession, the deficit has been cut in half. Hundreds of thousands of jobs have been created. We have protected public services and we are making them work better.

The people of Ontario have a choice between those two approaches. One cuts the deficit by sacrificing jobs and services — in short, by attacking much of what we value in Canadian society. The other builds on what we value.

It is this balanced approach that the Bob Rae Government has chosen and that has seen Ontario through tough times to today's expansion. And it is this same approach that will allow Ontario's people to thrive and prosper through the challenges to come.

General enquiries regarding policy in the  
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Ministry of Finance  
Frost Building South, Queen's Park  
Toronto, Ontario M7A 1Y7  
(416 ) 325-0333

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